

## Message Text

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PAGE 01 HONG K 02154 010222Z

21

ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 EB-07

COME-00 TRSE-00 CIEP-02 OMB-01 NIC-01 /076 W

----- 105632

R 280917Z FEB 75

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 3984

INFO USLO PEKING

UNCLAS HONG KONG 2154

E.O. 11652: N/A

TAGS: ETRD CH US

SUBJECT: PRESS CITES EMIGRATION AND OTHER TRADE ACT  
OBSTACLES TO MFN AND TRADE AGREEMENT WITH  
PRC

1. USING EXCERPTS FROM LEAD ARTICLE ON "CHINA AND TRADE ACT OF 1974" IN JANUARY-FEBRUARY ISSUE OF U.S. CHINA BUSINESS REVIEW ISSUED BY NCUSCT, TODAY'S SOUTH CHINA MORNING POST (SCMP) CITED MAJOR OBSTACLES IN CONCLUDING A BILATERAL COMMERCIAL AGREEMENT WITH, AND EXTENDING MFN TO, THE PRC. THIS IS THE FIRST PUBLIC MEDIA PLAY OF THIS ISSUE WITH PRC THAT HAS COME TO OUR ATTENTION HERE.

2. ON THE PLUS SIDE, SCMP REPORTS THAT, IN GENERAL, THE TRADE ACT PROVIDES "A FRAMEWORK, PREVIOUSLY NON-EXISTENT, FOR CONSTRUCTING USEFUL BILATERAL TRADE AGREEMENTS" AND, MORE SPECIFICALLY, WITH THE PRC COULD LEAD NOT ONLY TO A "15-20 PERCENT INITIAL INCREASE FROM MFN" BUT MORE IMPORTANTLY GIVE A "GREATER IMPETUS TO TRADE FROM AN IMPROVED PSYCHOLOGICAL CLIMATE." ALSO POINTED UP IS THE FACT THAT "A POSITIVE ELEMENT OF THE NEW LAW IS THAT CHINA IS NOT SINGLED OUT FOR SPECIAL TREATMENT AND CAN RECEIVE MFN ON THE SAME BASIS AS ANY OTHER COUNTRY."

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3. IN TERMS OF MAJOR OBSTACLES, THE ARTICLE CITES THE ISSUES OF "FREEDOM OF EMIGRATION," "SETTLEMENT OF AMERICAN PRIVATE CLAIMS," AND POSSIBLE TROUBLESOME APPLICATION TO PRC CLAIMS ISSUE OF TRADE ACT'S PROVISION ON CZECH CLAIMS SETTLEMENT.

4. SECRETARY KISSINGER IS QUOTED AS ACKNOWLEDGING THAT THE EMIGRATION ISSUE "WOULD PRESENT MASSIVE DIFFICULTIES IF WE ATTEMPT TO APPLY IT TO CHINA," AND THAT "ADMINISTRATION DOES NOT INTEND TO USE THE TRADE ACT PROVISIONS TO GRANT CHINA PREFERENTIAL TREATMENT (GSP), NOR HAS CHINA REQUESTED ANY SUCH BENEFIT."

5. LOCAL CHINESE PRESS HAS NOT YET PICKED UP THIS SUBJECT.  
CROSS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, TRADE AGREEMENTS, EMIGRANTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**TAGS:** ETRD, CH, US  
**To:** STATE  
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